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STATE OF HAWAII PUBLIC UTILITIES COMMISSION DEPARTMENT OF BUDGET AND FINANCE

465 S. KING STREET, #103 HONOLULU, HAWAII 96813

February 3, 2003

To all Public Utilities:

Beginning with the 2002 Annual Financial Reports (AFR) and Public Utility Fee (Fee), the PUC will implement certain changes that will allow utilities easy access to commission forms and information. With these changes, we hope to improve and become more accessible and efficient in serving the companies we regulate.

The PUC has established new procedures in: 1) distributing forms and instructions and 2) notifying carriers of AFR and Fee requirements. It is our expectation that these changes will make it easier for carriers to meet our filing requirements.

Changes for 2003:

1. The PUC will no longer mail a reminder notice to the carriers informing them of the AFR and Fee requirements.

In the past, around February 1st of each year the PUC mailed a reminder notice and the requisite forms to all carriers. Beginning with the 2002 AFR, the PUC will no longer send a reminder notice or the requisite forms to the carriers. All carriers are expected to be familiar with the annual filing and public utility fee requirements of the PUC.

Hawaii Revised Statutes (HRS) 269-8 states that:

Every public utility or other person subject to investigation by the commission, shall at all times, upon request furnish to the public utilities commission all information that it may require respecting any of the matters concerning which it is given power to investigate, and shall permit the examination of its books, records, contracts, maps, and other documents by the commission, or any of its members, or any person authorized by it in writing to make such examination, and shall furnish the commission with a complete inventory of its property in such form as the commission may direct.

In addition, every telecommunication carrier chartered, certified, or registered to provide telecommunication services in the State is required to file an AFR with the commission by March 31 for the preceding calendar year. <u>6-80-91</u>, Hawaii Administrative Rules.

For public utilities other than telecommunication carriers – electric, gas, water, sewer – such utilities are mandated by commission order or letter to file an AFR.

HRS 269-30 mandates that every public utility pay, on a semi-annual basis, a public utility fee:

There shall also be paid to the commission in each of the months of July and December in each year by each public utility which is subject to investigation by the commission, a fee which shall be equal to one-quarter of one per cent of the gross income from the public utility business carried on by the public utility during the preceding year, or a sum of \$30, whichever is greater.

2. The PUC will no longer mail AFR forms or PUC Fee Bill For Collection to the carriers. All forms and instructions will be made available on our website on or around March 15, 2003.

All PUC forms and instructions will be available on-line on or around **March 15**, **2003** at: http://www.hawaii.gov/budget/puc/AFRPage.htm or forms may be picked up at our office at 465 S. King St. Room 103, Honolulu, HI 96813, or neighbor island carriers may pick up forms at their local PUC office.

In addition, public libraries may provide free computer and internet access to those who do not own a computer or have access to the internet. Please inquire at your nearest public library.

For your convenience, we have enclosed a copy of the PUC Fee Bill for Collection that may be used for the July or December Fee payment. You may copy this form for future use or obtain additional copies from the website listed above.

If there are any questions, please call the PUC audit section in Honolulu at 586-2020 or visit our web site at http://www.hawaii.gov/budget/puc/puc.htm. Neighbor island carriers may contact their local PUC office for assistance:

Island of Kauai 274-3232 Island of Maui 984-8182 Island of Hawaii 974-4533

Very truly yours,

/s/

Wayne H. Kimura Chairman

WHK:eh

Enclosure